Message Text

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ORIGIN EA-10

INFO OCT-01 ISO-00 PA-02 PRS-01 USIE-00 SSO-00 SS-15

DODE-00 NSC-05 NSCE-00 IGA-01 MC-02 CIAE-00 INR-07

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DRAFTED BY EA/P:MSMITH:PP APPROVED BY EA:RHMILLER

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FM SECSTATE WASHDC

TO AMEMBASSY PHNOM PENH IMMEDIATE

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E.O. 11652: N/A

TAGS: CB

SUBJECT: TEXT OF STATEMENT READ AT NOON BRIEFING, MARCH 17

FOLLOWING IS TEXT OF PREPARED STATEMENT READ BY DEPARTMENT SPOKESMAN AT NOON BRIEFING MARCH 17. SEE WIRELESS FILE FOR NUMEROUS QUESTIONS AND ANSWERS THIS STIMULATED.

WE HAVE BEEN ADVISED BY THE DEPARTMENT OF DEFENSE THAT A DEFENSE DEPARTMENT AUDIT COMMENCED IN MAY 1974 HAS RESULTED IN A FINDING BY THE DEPARTMENT OF THE ARMY THAT AMMUNITION FOR CAMBODIA HAVING A VALUE OF 21.5 MILLION DOLS REMAINS UNDELIVERED UNDER THE FY 1974 MILITARY ASSISTANCE PROGRAM. THIS FINDING WHICHWAS MADE ON MARCH 10, 1975, RESULTED IN A CREDIT TO THE CAMBODIAN MAP PROGRAM ON MARCH 11, 1975 OF THE UNDER-DELIVERY UNDER THE FY 1974 PROGRAM.

THE UNDER-DELIVERY RESULTED FROM A PRACTICE BY THE DEPARTMENT OF THE ARMY OF PRICING AMMUNITION ON THE BASIS OF DELIVERY NOTIFICATIONS RECEIVED SOME WEEKS UNCLASSIFIED

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AFTER ACTUAL DELIVERY OF THE AMMUNITION. BECAUSE THE

PROGRAM WAS CARRIED OUT DURING A PERIOD OF RAPIDLY

RISING PRICES, LATE PRICING RESULTED IN OVER CHARGES.

THE COMPUTATION OF THE 21.5 MILLION DOL DIFFERENTIAL IN THE PRICING DATES WAS MADE AT THE REQUEST OF THE INSPECTOR GENERAL FOR FOREIGN ASSISTANCE. THE DISCREPANCY IN DATING WAS DISCLOSED BY A PRIOR US DEFENSE DEPARTMENT AUDIT WHICH WAS EXAMINED BY THE OFFICE OF THE INSPECTOR GENERAL. COMPUTATIONS WERE ALL MADE BY THE US ARMY (US ARMAMENTS COMMAND).

A COMPREHENSIVE REVIEW OF AMMUNITION PRICING METHODS FOR FOREIGN MILITARY ASSISTANCE PROGRAMS HAS BEEN INITIATED. ROBINSON

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Message Attributes

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Current Classification: UNCLASSIFIED

Concepts: TEXT, AMMUNITION, SUPPLIES, PRESS CONFERENCES

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Disposition Event:
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Review History: RELEASED <23 JUN 2003 by BrownAM>; APPROVED <20 FEB 2004 by hartledg>

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Subject: TEXT OF STATEMENT READ AT NOON BRIEFING, MARCH 17 FOLLOWING IS TEXT OF PREPARED STATEMENT READ BY

DEPARTMENT TAGS: PFOR, CB, US To: PHNOM PENH Type: TE

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